

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA
(a company limited by guarantee and not having share capital)
For the year ended 31 March 2020



(a company limited by guarantee and not having share capital)

Company Number SC149069

Charity Number SC022315

Directors' Report, Strategic Report and Financial Statements

For the year ended 31 March 2020

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Directors' Report – including Strategic Report

1. References and administrative details

Alzheimer Scotland - Action on Dementia is the registered name of the organisation. Operationally, the organisation is known as Alzheimer Scotland (and this title is used throughout this report).

Scottish charity number: SC022315 Company registration number: SC149069

Principal and registered office

160 Dundee Street
EDINBURGH
Scotland
EH11 1DQ

Chief Executive

Henry Simmons

Company Secretary

Kevin Craik

Solicitor

Russel + Aitken LLP
22-24 Stirling Street
DENNY
FK6 6AZ

Auditor

BDO LLP
Citypoint
65 Haymarket Terrace
EDINBURGH
EH12 5HD

Banker

The Bank of Scotland plc
20-22 Shandwick Place
EDINBURGH
EH2 4RN

Directors

David McClements (Convener)
Bernard O'Hagan (Treasurer)
Archie Noone (Vice Convener)
Diane Goldberg (Honorary Secretary)
Ian Bell – resigned November 2019
Joanna Boddy – co-opted November 2019 for 1 year
Pamela Brankin
Tom Carroll
Keith Chapman
Caroline Crawford
Lesley Diack – appointed November 2019
Susanne Forrest – resigned November 2019
Patricia Howie – co-opted November 2019 for 1 year
Dianne Howieson
Alan Jacques – resigned November 2019
John Laurie
Lorraine Mann – co-opted November 2019 for 1 year
Mary-Frances Morris
Jayne Pashley
Tracey Ward

2. Structure, governance and management

Alzheimer Scotland is a company limited by guarantee and has obtained permission from the Registrar of Companies to omit the word 'limited' from the company name. Alzheimer Scotland is governed by its Memorandum and Articles of Association (last amended November 2013) and the Rules of the Organisation (last amended December 2018).

In March 2020 the charity took steps (in line with the ever changing government advice) to help contain the outbreak of COVID-19, including the suspension of all physical gatherings such as our day care and community groups and the closure of all our properties. We also have had to curtail how we operate. With staff being able to work from home we have been able to maintain a high level of service, even with a sufficient number of colleagues on the government retention scheme; the charity has been able to continue some of its activities using online media for keeping in touch and for online activities. In addition we have increased the capacity of our Helpline service to meet the higher demand of calls received. We have sourced good supplies of PPE and have been able to maintain contact with care at home visits to many of our Day Care users particularly for our most vulnerable and isolated individuals and carers who have been unable to access our services directly.

The trustees are monitoring income and expenditure closely and will take measures to mitigate the impact of COVID-19 on the charity's free reserves. We have continued to conduct monthly Board meetings online. The outbreak will undoubtedly result in a reduction of our fundraising income during 2020/21, with the cancellation and postponement of many of our fundraising events and equally a reduction in our conferences and projects. At this stage, it is difficult to assess the full impact of the virus on the long-term future and activities of the charity, though we remain confident that we will get through any potential impacts due to sufficient reserves and with future plans to mitigate any reduction in income long term and by seeking new opportunities, especially around our digital offerings.

We have made further reference on this impact under Section 8 Future Plans, under Section 9 Going Concern and Note 27.

The Directors of the Company, in this Report referred to as "the Directors", are elected from the membership for three-year terms of office by the members at the Annual General Meeting (AGM). The office bearers of the organisation are elected from and by the Directors. Alzheimer Scotland has increased its membership as at March 2020 to 9,373 (9,180 members - 2018/19). The Board of Directors (who are also the Trustees of Alzheimer Scotland for the purposes of charity law) established a Nominations Committee in 2016/17 for the purpose of recruiting new Trustees, and this worked successfully with five new trustees recruited to the Board during 2017/18, one during 2018/19 and 3 in 2019/20. Member's contribution on winding up is £1.

Each year there is an induction and training session for new and continuing Directors. Each Director receives a Directors handbook. Throughout the year Directors are encouraged to visit services and attend conferences organised by Alzheimer Scotland as well as spend time with the Executive Directors as part of their induction.

The Board is responsible for the governance, strategic direction and priorities of the organisation and for approving the annual budget. The management of the organisation is delegated to the Chief Executive and Executive Directors.

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Alzheimer Scotland is an active member of several umbrella organisations: Alzheimer's Disease International, Alzheimer Europe, Coalition of Care and Support Providers in Scotland, the Alliance (formerly Long Term Conditions Alliance Scotland) and the Neurological Alliance. These relationships serve a number of purposes – they help to develop ideas in different markets by sharing expertise and also to pool resources to provide better services.

The Board meets monthly, except in July and November, to oversee day-to-day management. The Board comprises the four office bearers and up to twelve other members of the Board. The Chief Executive attends all Board meetings. The other Executive Directors attend as and when required.

The Board reviews the most significant risks to the organisation at every Board meeting. The main area of concern is the impact of the coronavirus on the services we operate and on the financial impact of both a reduction in those contracts and the subsequent effects of much reduced fundraising opportunities as a result of the lockdown. In addition, cyber-security and potential data breach risks have also moved up on the risk register and again training for both trustees and staff have increased throughout the year.

3. Objectives and activities

The objectives of Alzheimer Scotland, which are stated in the Memorandum of Association, are:

- i) to promote the welfare and rights of people in Scotland with Alzheimer's disease and other dementias and those who care for them;
- ii) to provide care, support and information for people with dementia and those who care for them;
- iii) to assist, advise and work with other organisations and individuals in their work in relation to dementia and to promote collaboration between them;
- iv) to identify the needs of people with dementia and those who care for them, to establish objectives and policies for meeting those needs, to draw the attention of all concerned to those needs, objectives and policies and to keep under review the extent to which those needs are being met;
- v) to provide, promote and assist in the provision of information, training, education, research and development relating to dementia;
- vi) to encourage and assist in the establishment of local groups and branches of the organisation or other bodies with objectives related to the organisation.

These objectives can be summarised in four equally important basic aims:

- i) to be the national and local voice of and for people with dementia and their carers in Scotland;
- ii) to improve public policies for the benefit of people with dementia and their carers in Scotland;
- iii) to provide and secure the provision of high quality services for people with dementia;
- iv) to provide and secure the provision of high quality services for the carers of people with dementia.

The purpose of all four aims is to improve the quality of life experienced by people with dementia and their carers.

In order to achieve these aims, Alzheimer Scotland seeks local authority funding and public donations mainly for local and where appropriate national services. Alzheimer Scotland fundraises to be able to campaign, raise awareness, support research, develop innovative approaches to supporting people with dementia and their carers and fill the gap in funding short-falls. Alzheimer

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Scotland works closely with people with dementia and their carers to assist them to speak out on behalf of others living with the illness. Partnership working with national and local government and other organisations is also vital.

At 31 March 2020, Alzheimer Scotland had 512 staff (520 – 2018/19) - the average number of full time equivalent employees during the year was 345 (342 – 2018/19) - and 882 active volunteers (964 – 2018/19) operating in 60 sites throughout Scotland. Alzheimer Scotland's commitment to working with volunteers throughout the organisation is a strength because of the wide-ranging experience and knowledge they bring to governance, service provision and fundraising.

4. Mission

Our mission is to make sure no one faces dementia alone. Our aims are to be the foremost provider of support services and information for people with dementia, their families and friends throughout Scotland and to be a leading force for change.

To fund our work, we rely on voluntary donations from the public, companies and trusts, in addition to the fees and grants we receive for providing services to Local Authorities (LA), other funding partners and the local communities in which we work.

5. Strategy Update

5.1 Achievements and performance

We continue to make considerable progress towards creating a robust and influential platform in our mission of making sure no one faces dementia alone. This has included progress in terms of our policy work, campaigns, awareness raising, Dementia Nurse Consultants, service provision (including Link Workers, Dementia Advisors, Dementia Resource Centres (DRCs) and Community Support), research and fundraising.

The key financial and operational performance indicators monitored by Alzheimer Scotland's management team include internal quality ratings, Care Inspectorate gradings, customer satisfaction survey results, social media presence, maintaining an acceptable level of staff turnover and sickness and the findings from an in-depth staff engagement survey in December 2019.

Alzheimer Scotland's Strategic Plan for 2019-22 was rolled out in October 2019 under the main outcomes below:

- No one on their own - We will continue to make sure no one faces dementia alone and through our Locality Pathway (an diagram on how help can be provided at each step of the pathway) we will be there for the people we support every step of the way.
- Innovation - We will search for, test and apply the most innovative practice and technologies in all our localities throughout Scotland.
- Engagement - We will have the highest possible level of staff and volunteer engagement and ensure every person has an effective voice in the organisation and experiences fair work.
- Collective Voice - We will develop and lead the local and national collective movement and collective voice to ensure our vision for transformation is delivered throughout Scotland.
- Recognition - We will ensure that the majority of people in Scotland know who we are, what we do, what we stand for and how to support us.
- Delivering - We will make sure that every penny we receive makes a difference and every person who supports us knows it.

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- Growing - We will continue to grow our supporter base, extend our reach and invest in delivering our Locality Pathway in each area.
- Protecting Rights - We will bring an end to the inequality and injustice of people with advanced dementia paying for care.
- Prevention - We will lead the development and implementation of a brain health and dementia prevention strategy for Scotland, combined with the development of the Scottish Dementia Informatics Partnership.
- Research - We will ensure Scotland has the highest percentage of its population signed up to dementia research and that they are the best characterised cohort of participants anywhere in the world.
- Collaboration - We will take forward the work of the organisation both internally and externally based on the highest possible level of effective collaboration and engagement.
- International - We will be an internationally recognised centre of excellence in policy and practice.
- Efficiency - We will have the most efficient, effective and safe central operations. Ensuring our financial, technology and property management is of the highest possible quality.
- Quality - we will be able to evidence the effectiveness and quality of all that we do in all areas of our work and practice.

Progress against the Strategic Plan is reported to the Board every 6 months. The Strategic Plan for 2019-22 was approved at the October 2019 Board meeting.

5.2 Risk Management

Effective risk management is at the heart of the successful delivery of our strategy and for protecting the future sustainability of Alzheimer Scotland. We continue to prepare for the challenging financial climate by ensuring that all our systems and processes are effective and efficient in supporting the delivery of our strategy. That said we have as a charity, like all other charities throughout the country, been affected by the on-going impact of Covid-19. The eventual outcome of this cannot be predicted at this time, but it will leave a significant scar on the finances of the charity going forward. One of the main objectives of our Strategic Plan is to achieve significant efficiency savings in everything we procure and commission, as well as minimising all our non-essential costs. Our aim is to protect the level, quality and scale of our frontline operations by reducing and controlling all other expenditure.

Other risks that we face include:

Reputational risk – We rely on all our staff and volunteers delivering a high quality of service at all times to minimise risk as much as possible, as well as on our internal procedures regarding our registered care, support service provision and administrative functions. We have a good external indicator of the success of high quality through our Care Inspectorate grades, which continue to be very good.

Financial risk – We focus on maintaining sufficient funds to meet our charitable objectives. We carefully monitor this risk through a system of financial reporting that compares actual results against the monthly budget. Our investments and reserves policies are set to ensure that we have the ability to cope with variations in income and retain adequate liquidity to meet liabilities as they arise. Credit risk on amounts owed through incoming resources is low.

Health and Safety – This continues to be a risk priority for us. Operational procedures are in place that set out the appropriate best practice and standards to be followed and these are audited periodically to ensure compliance. We also have a robust training programme in place and we have previously sent all our Locality Leaders on an Institution of Occupational Safety and Health training programme. We purchased in 2018/19 a new on-line e-learning suite of training programmes that has made it easier for our staff to learn from relevant health and safety courses and we have added to that suite further training courses and updates.

Information Security – This item is ever higher on the risk programme of many organisations. It is vitally important that we defend our IT systems from malicious attacks and protect the personal data we hold from unauthorised access and misuse. We recently invested in additional protection measures and brought on board IT security consultants to help ensure that the organisation remains secure. Policies and procedures are also in place for protecting data within the working environment. The organisation was also awarded the Cyber Essentials badge in March 2018; this was retested in March 2019 and March 2020 and on both occasions has been retained.

Organisational Change and Sustainability – This item is key to delivering our strategy and business plans in a measured and successful manner.

Strategic Risk – This item is relevant to the external environment in which we operate. That environment continues to present uncertainties arising from the challenges and major changes facing social care partners, especially around funding. We manage the impact of these risks through our planning and performance processes.

The Executive Directors have in place procedures for review and assessment of the business, compliance and environmental risks which may impact upon the activities of the organisation and the achievement of our aims and objectives.

These procedures include an annual written Risk Management Review, which is discussed and approved at the Finance Audit Committee (FAC) before being presented to the Board. "Risk and Governance" also forms a regular item in the Chief Executive's monthly reports to the Board.

The Risk Management review and assessment include:

- Classifying and understanding the risks to which the organisation is potentially exposed;
- Identification and assessment of actual specific risks and the potential exposure in terms of probability and financial/operational impact;
- Selecting several key risks and agreeing strategies to mitigate and/or obviate each risk;
- Reporting to Executive Directors and the Board about how those risks are managed and monitoring of our potential exposure.

6. Directors' Report

6.1 Staff

Our people continue to be a hugely valued and vital part of the Charity, and we recognise the immense contribution that our people make, so that together we can achieve what we set out to do in delivering our localities model (our aim is to make sure that every locality has access to a skilled staff team) and in doing the very best we possibly can for people living with dementia, their families, and carers.

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Alzheimer Scotland is committed to ensuring that our policy and practice in relation to employment, represent our core belief that people are an organisation's most valued asset. Our policies and practice are underpinned by the principles of equalities legislation alongside our commitment to support a culture of dignity, respect, equality and fairness, and one that is free from discrimination.

We understand, value and recognise the direct correlation between engagement, the health and wellbeing of our employees and the outcomes that we can deliver for people living with dementia. We remain committed to supporting our people to have an effective voice, have influence in how we work together to always look towards better ways of working, and that everyone who works here feels they have a personal stake in everything we stand for and achieve. Alzheimer Scotland still demonstrates this commitment, guided by the principles of the Fair Work Framework, as we continue to make good progress towards embedding the dimensions of the Framework across every aspect of our employment practice.

Our collaborative leadership approach is increasingly recognised as an embedded way of working, and there are clear indications this is having a positive impact on how our employees feel they are personally connected and can contribute to the bigger outcomes and achievements. This indicates that our approach to enabling better engagement and effective voice is helping to change our culture towards a more collaborative - one Charity - approach.

Our Staff Engagement Group continues to be recognised and supported in its role of providing an important link between our people and emerging key issues across the charity. There is an ongoing commitment to support the Staff Engagement Group as the formal consultation body representing the views and opinions of our people and the role of this Group is recognised in relation to supporting and enabling high levels of engagement, effective voice and collaboration across every aspect of Alzheimer Scotland.

We continue to build on the already growing levels of engagement and employee effective voice, and we are aiming for the best possible outcome which is to make sure everyone who works for Alzheimer Scotland feels they have a personal stake and fully understands how they can fulfil their personal potential as we work as one team towards achieving our mission of making sure no one faces dementia alone.

6.2 Policy and campaigning

In the last decade Alzheimer Scotland has made a significant contribution to influencing dementia policy and practice in Scotland. We have worked in partnership with key stakeholders to influence, shape and monitor the delivery of the commitments of Scotland's national dementia strategies. We have seen significant improvement in areas such as diagnosis rates, post diagnostic support, acute hospital care, national educational frameworks, Allied Health Profession interventions and new rights-based standards. However, despite this progress it is increasingly evident that there is a substantial gap between the intention of national dementia policy and local implementation.

A key priority for Alzheimer Scotland has been to ensure that people with dementia, their families, carers and our members, are empowered to have a collective and active voice, and opportunities for meaningful engagement to influence local decision making, ensure that dementia is a priority in every health and social care partnership and that the gap between policy intention and real lived experience is closed. This year we have continued to build on the progress we have made building those networks and have worked with local colleagues and our national involvement groups, Scottish Dementia Working Group (SDWG) and National Dementia Carers Action Network (NDCAN), to support local active voice sessions across Scotland. Our active voice networks have been critical in building public and political support for the Fair Dementia Care Campaign.

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That campaign was launched when we published Alzheimer Scotland's "Delivering Fair Dementia Care for People with Advanced Dementia" report. Throughout this year we have campaigned to establish both public and political support for the report's recommendations. The key recommendation of the report is that the Scottish Government commits to recognising that the needs of people with advanced dementia are health care needs and to ensuring equality of access to appropriate health and nursing care, which is free at the point of delivery.

This is one of our most significant campaigns in recent years, which aims to end the inequality people living with advanced dementia face in accessing the healthcare they need in advanced illness which is free in line with other progressive and life limiting illnesses.

As part of this campaign we hosted an event in October 2019 to launch our 'Dementia: the true cost' documentary. The short documentary film is presented by author and retired journalist, Mike Edwards and includes interviews with family carers who share their experiences of the inequalities that the campaign seeks to end. Throughout October and into November we ran local events to screen the film and continue to build support through our local networks for the campaign and to help us reach our target of 10,000 supporters. By March 2020 we had achieved over 14,000 signatures.

A key aim of the campaign is to build support among the main Scottish political parties and ask them to include a commitment to deliver the recommendations of the report in their election manifestos for the Scottish Parliament elections in May 2021. We have had success at a political level with both the Scottish Liberal Democrats and Scottish Greens committing to support Fair Dementia Care. We also secured a members' business debate in the Scottish Parliament in June 2019 on a motion submitted by Richard Lyle MSP, on the report and its recommendations. The Scottish Government have acknowledged the publication of the report and are currently considering its findings and recommendations. We have had very constructive discussions but the current coronavirus crisis has resulted in a hiatus in the campaign while our and the Government's attention is focused on responding to the pandemic.

Healthcare

Our Alzheimer Scotland Dementia Nurse Consultants continue to support the Dementia Champions programme (which now has over 900 graduates), working to deliver improvement in acute hospital care. We worked with the Alzheimer Scotland Dementia Nurse Consultants group to publish a report of their contribution to improvement in acute hospital care for people with dementia and setting out their priorities for improvement going forward.

Our National Allied Health Professions (AHP) Consultant continues to lead the implementation of 'Connecting People, Connecting Support'. In February 2020 Alzheimer Scotland published 'Connecting People, Connecting Support in Action; An impact report on transforming the Allied Health Professionals' (AHPs) contribution to supporting people living with dementia in Scotland'. The report highlights the achievements of Connecting People, Connecting Support (CPCS), a national framework for the transformation of the contribution of AHPs in supporting the needs of people living with dementia and those who support them. First published in 2017, the framework has been proven to improve access to AHPs for people living with dementia regardless of age, place of residence, and throughout the illness.

The impact report charts the vision, principles, ambitions and actions of the CPCS national framework over the first 24 months since launch and the progress that has been made by the AHPs.

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We also continued to work with the Scottish Government and local partners to take forward the recommendations of the Transforming Specialist Dementia NHS Care report. This report, commissioned by the Scottish Government, is a detailed review of the nature and challenges of specialist dementia care across Scotland. It introduces a vision of what a good specialist dementia unit should be, including the roles and skills required by the teams, the quality of care, the size of specialist dementia units and crucially highlights that, in many areas, current units are not fit for purpose and must be rebuilt. The report also develops a model of safe transition for those whose needs do not require this level of specialist care.

Participation, research, and international engagement

High quality research is crucial to Alzheimer Scotland and to Scotland in the pursuit of excellence in responding to dementia. It drives innovation in policy and in practice and is a key element of what we do as an organisation. It can also attract substantial investment to Scotland's dementia research community.

Alzheimer Scotland has a key role in the facilitation, collaboration and investment in Scottish dementia research. We often act as an intermediary in bringing key stakeholders in dementia research together and facilitating collaborative research which can build on the strengths and the significant contribution of Scottish dementia researchers. Alzheimer Scotland has facilitated and supported new areas of development including the Scottish Dementia Research Consortium, the Scottish Dementia Informatics Partnership and Brain Health Scotland. We are the lead partner for Join Dementia Research (JDR) in Scotland, we fund the Alzheimer Scotland Research Centre and Brain Tissue Bank at Edinburgh University and we make a substantial contribution to the Alzheimer Scotland Centre for Policy and Practice at the University of the West of Scotland.

In recent years, strong evidence has emerged that some forms of dementia could be prevented. We have established Brain Health Scotland which will provide expert advice, coordination and crucial

contributions to a future Brain Health Strategy within Scotland. Brain Health Scotland is being delivered in partnership with the Scottish Government who are funding the collaborative initiative, which will also involve Scottish Dementia Research Consortium, Scottish Dementia Working Group, National Dementia Carers Action Network, along with other key stakeholders.

All of this requires participation in dementia research. We have set an ambitious strategic objective to ensure that we have the highest proportion of the population signed up to participate in dementia research. During this year we plan to establish an organisation wide research recruitment strategy to support delivery of this objective.

Alzheimer Scotland's international reputation continues to grow and there is considerable interest in our human rights and evidence-based approach to developing public policy. This attracts a large number of international visitors who wish to learn from Alzheimer Scotland's approach in digital innovations, creative practice, and policy and campaigning. In early 2019 we began to develop a proposal to establish the Alzheimer Scotland International Centre, in partnership with the University of the West of Scotland. Throughout this year we have worked to establish the Centre and develop the programme to offer learning opportunities for international visitors. These plans have been delayed as a consequence of the global coronavirus pandemic.

6.3 Localities

The 7 dimensions model for localities introduced in the previous year has become firmly embedded to become the very heart of all that we deliver in localities to support people living with dementia and their carers. The simplicity and clarity it provides about our intended aims and objectives has

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enabled Locality Leaders to bring a strategic focus to the work of locality teams of staff and volunteers. This model has helped locality teams recognise that all individual roles linked together in this way has greater potential combined and that working together achieves more meaningful outcomes for those we are here to support. This approach has led to the development of Locality Plans for each locality that are closely aligned to the Strategic Plan 2019-2022

We continue to operate in 21 localities and provide activities and supports across the majority of Scotland in our 21 Dementia Resource Centres. Our community-based groups and activities have increased in choice and diversity and we saw 2,574 Dementia Cafes taking place with 30,197 attendees at the cafes over the year.

Dementia Advisors, Community Activity Organisers and volunteers continue to lead the way in communities with an increase in delivery of our community groups with 1,143 activity groups delivered across the country.

We saw an increase in attendance at groups for people with dementia and carers to go along to together. 2,756 of these groups were held and these were attended by an increase of almost 7,000 from the previous year to 32,968 attendees over the year.

In our day services we provided over 32,926 sessions of day services where people can take part in activities that are meaningful to them and are based on personal outcomes as agreed with each individual.

Registered day support services are regulated and inspected by the Care Inspectorate throughout the year, with the focus on our Day Services and Supported Living Service. All of the registered services we provide continue to be graded at 4 (good), 5 (very good) or 6 (excellent).

We have held over 700 Dementia Friends sessions in localities for large and small businesses and groups of interested people, raising awareness and understanding of dementia. These sessions alone have reached almost 9,000 people.

Alzheimer Scotland's 76 Post Diagnostic Support Link Workers have provided support to people around many parts of the country and have had over 54,000 direct contacts, including 42,000 face to face meetings or phone calls. The support provided aids people in remaining connected with their communities or reconnecting where connections have previously been lost and this continues to help people to live in their community for longer.

As we adapted to the restrictions imposed by the coronavirus pandemic our Link Workers continued to support over 3,200 people with dementia, using digital platforms, WhatsApp, Peer Support Groups and one to one telephone calls.

We appointed two Post Diagnostic Support Leads in February 2020 who will support caseload management, supervision, reflection and appraisals for the Link Workers and support the implementation of the Post Diagnostic Framework.

Cohesion Medical have been commissioned by us to build a digital platform for Post Diagnostic Support for our Link Workers. Good progress has been made to date with plans to test the platform in the near future.

Following a positive meeting with Quality Scotland, work began on the development of a robust Quality Framework for the organisation. This will support us to improve how we map and evidence

the quality of all aspects of our services which is essential to retain our excellent reputation as Scotland's leading national dementia charity.

6.4 Workforce Development

People Development now includes volunteering, digital solutions, Dementia Friendly Scotland, training for external customers, hosting international visits and workforce development.

Our Digital work remains at the forefront of national transformation in how people living with dementia are supported to live well, including remaining connected to family and community in their own homes. This year saw a rapidly speeded up engagement in Digital with our Localities, where Digital was used successfully to continue to engage and support people during the coronavirus pandemic. Our digital solutions are also helping to transform our internal systems; for example, everyone who becomes a Dementia Friend can be automatically connected into volunteering and fundraising opportunities.

Our online learning platform, the Digital Lounge, is being extended to volunteers and includes a more varied suite of learning programmes, thanks to contracting with a new provider.

Volunteers make a highly valued and critical contribution to Alzheimer Scotland and this year we have made sure that all volunteers are registered on our HR system, ensuring that they are recognised locally and across Alzheimer Scotland. We support Localities to celebrate the contribution of volunteers and have developed more consistent support to volunteers through our community of practice for Volunteer Co-ordinators. Our 2019 volunteer survey gave us a useful and positive insight into the experience of volunteers. For example, over half of people who volunteer with us describe having increased knowledge about dementia as the biggest personal impact for them, closely followed by meeting new friends/widening social circle and then having an increased sense of wellbeing.

Our offer of specialist dementia training to external customers continues to generate income beyond agreed targets; this last year saw training delivered to arts and cultural organisations; lawyers; opticians; dentists and a range of care providers. We hosted international visitors from Japan, Austria and Iceland despite several others being cancelled because of the coronavirus pandemic.

As Scotland's leading dementia charity we want to ensure that people living in our localities experience the best possible support, so we continually review and refresh our practitioner training so that it represents the best of the Promoting Excellence Framework, the learning and skills framework for everyone working in dementia in Scotland. Our communities of practice bring together staff from throughout Scotland who share a role and there is now a community of practice for every practitioner role.

As one of the Institute for Leadership and Management's (ILM) registered centres, our leadership development is approved to industry standard and this year 15 of our managers participated in a development programme that brought them ILM recognition.

This is the final year of our four year partnership with The Lens whereby we embed the principles of intrapreneurship across Alzheimer Scotland. Our colleagues in Development and Innovations will build on the projects and ideas to date and extend the learning from The Lens throughout localities.

6.5 Development

Dementia Dog Project

The Dementia Dog fundraising campaign was remarkably successful, resulting in a healthy balance, regular monthly donations and increased legacies. This has been a great platform from which to consider the ongoing delivery of the project, we are reviewing options about how best to take this forward in its current form.

Dogs for Good are extending their work to Scotland and with this development it has been decided that they will carry on the excellent work that has been piloted in Scotland to deliver an Assistance Dog service to people living with dementia. This will include all the associated community programmes that we currently deliver.

This move ensures a long-term service for those we support provided by Dogs for Good, a partner with whom we have a long-established relationship and who has the expertise to deliver the service. Our staff will transfer with the project under their current terms, and all our existing families will continue to be supported by the team that they trust and are familiar with.

We will still be a key part of this new development with either a place on the board or as an advisory partner and are working on completing these arrangements with the aim of transferring the service by 20 December 2020.

Purple Alert

Purple Alert is a smartphone app which helps to find people living with dementia if they become lost. Developed by Alzheimer Scotland alongside people living with dementia, the app is free to download and use. A family can upload a profile for the person they care about and can raise an alert which is shared with the Purple Alert community within a 30-mile radius. It has been developed alongside partners including Police Scotland to ensure it fits with their missing persons protocols.

We continue to promote and provide information at national and local levels for people to download Purple Alert <http://dementiacircle.org/products/purple-alert>

Alzheimer Scotland is committed to offering this app free at point of download to support families. It is our first digital support offering and we hope to increase our digital support offerings over the coming year.

We have had twenty instances of the app being used in a time of crisis and the 20 missing individuals have all been found safe and well, three have been directly found by the Purple Alert community of support.

Development and Innovations Team

We successfully recruited fourteen members of staff from across the organisation to join our new Development and Innovations Team. From administrators to locality leaders, the team has a range of diverse skills in their current roles as well as past experiences in other industries.

We have developed a process of supporting specific internal innovations that emerged from the Lens programme but are not yet over the finishing line, as well as supporting the introduction and harnessing of new projects.

We had a two-day workshop with the team, and have been working up current projects as a support mechanism and innovating around new work. We have produced a project plan for an outdoor

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Dementia Resource Centre which is a development of the TIPI initiative, which itself was a successful Lens project. We are currently working with external partners and possible funding sources to support this development.

6.6 Communications & Marketing

Events

In June 2019 we hosted our annual conference during Dementia Awareness Week and we were delighted to welcome almost 800 delegates. SDWG member, Danny McDonald and NDCAN member, Catherine McDonald opened the event and Clare Haughey MSP, Minister for Mental Health, was a key note speaker.

Other national events throughout 2019 included Scotland's Dementia Awards with our partners at NHS Education for Scotland (NES), which welcomed 220 guests. Our own Staff, Volunteers' and Members' conference in November began with our AGM and included the updated staff awards, renamed 'Our People Awards'. This conference saw the launch of the Dementia Advisor Impact Report, which celebrates 10 years of the role. The report launch included speeches from SDWG member, Tony Worthington and NDCAN member, Marion Ritchie.

In December we hosted the first 'Professor John Starr Winter Lecture' in Glasgow, honouring the late Professor John Starr who supported the work of Alzheimer Scotland as a trustee and as the Director of the Alzheimer Scotland Dementia Research Centre at the University of Edinburgh. A well-received lecture from Professor Ian Deary OBE titled 'Twenty years of mostly-healthy, mostly-cognitive ageing in the Lothian Birth Cohorts'. Feedback was overwhelmingly positive for this event with the highlight being Professor Deary's lecture and the Every Voice Choir, who gave a performance. An excellent attendance of over 230 delegates made this a very successful and engaging event.

The Fair Dementia Care documentary was launched at an official screening at our Oxford Street office and a further 26 locality screenings were held across Scotland, where people with dementia, carers, local councillors and members of the public gathered to watch the film and also have a conversation about Fair Dementia Care.

Membership

Membership has risen to 9,373 members. Great progress is being made with our e-marketing as we continue to target messaging locally. The process for following up Dementia Friends has been launched and will offer recently registered Dementia Friends a one year free membership plus the opportunity to sign up for our Fair Dementia Care campaign. It also lets them know the different ways they can become more involved with the charity.

Our Dementia in Scotland magazine continues to be one of the main opportunities to communicate with our members. Our 100th edition was published in November, with reflective content and features.

Internal Communications

We continue to nurture the online internal platforms of ALIS and Yammer to ensure all employees feel engaged with the organisation's mission, vision and the 7 dimension model. We have 476 registered colleagues on Yammer. ALIS sessions range from 9,000 – 13,000 per month and the most visited sections of ALIS were Policies and Procedures, SIS (Shared Information System) and People Development.

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Raising Awareness

Dementia Awareness Week (DAW) 2019 saw many events being delivered locally, across the whole of Scotland, along with our annual conference and week-long take-over of Haymarket train station in Edinburgh. The annual conference was once again trending on Twitter on the day of delivery, in Edinburgh, with 1,358 followers acquired on Facebook (an increase of 30% year on year compared to last year's DAW), and our most popular post (which was new video content, sharing Peter and Ellen's experience of living with dementia and Alzheimer Scotland's support) reached over 30,300 people with an engagement figure of 17,400 noted.

National press coverage (over 100 media hits) was secured in the Sunday Post, Daily Express, The Herald, STV, BBC Radio Scotland, Heart, Smooth, Capital FM, Moray Firth and West Sound, along with multiple local and regional press reports covering our letter-to-the-editor from Henry Simmons, thanking our volunteers and supporters for their tremendous efforts during the awareness week.

Join Dementia Research (JDR) also noted its highest number of Scottish sign-ups to participate in dementia research since it launched, with sign-ups in June 2019 trebling the average number of sign-ups compared to other months in the year. The DAW evaluation has highlighted the following success from the marketing campaign that was delivered within the first week of June 2019:

(NB: Below shows the targets that the team set to measure success, and the reported figures are below each target)

- 220,000 reach on social media
Result: 243,898
- 17,000 engagement across social media
Result: 84,184
- 1,000 new social media followers
Result: 1,358
- 72,000 new visits to alzscot website
Result: 74,100
- Industry average email opens and clicks 5% about industry average (industry average = 21.6% opens and 2.3% clicks)
Result: 29.8% opens and 4.9% clicks per email
- 500 awareness packs ordered by members of the public
Result: 738
- 5% increase on national and local press hits of DAW-related activity and case studies
Result 7% increase year on year
- 150 sign-ups to JDR
Result: 193
- 3% increase in general donations received, year-on-year, for the same period of time
Result: online donations up 48.6% (£18,088 to £26,878) and Paypal transactions increased 78.3% (£22,807 to £40,666)

In October 2019 we launched 'Dementia: the true cost' - a documentary hosted by former STV journalist Mike Edwards and explored three real-life accounts of carers whose family members have lived with a diagnosis of dementia. There were also valuable contributions from Henry McLeish, chair of the Fair Dementia Care Commission, Prof. Debbie Tolson, a member of the Commission and Director of the Alzheimer Scotland Centre for Policy and Practice at UWS, Dr Margaret Brown, Deputy Director of the Alzheimer Scotland Centre for Policy and Practice at UWS, and Jim Pearson, Alzheimer Scotland's Director of Policy and Research. The documentary was very well received on

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social media. Overall there were 25,562 views of the initial video and follow up shortened soundbites on Facebook, 1,129 interactions on Twitter and 3,201 (35% of all views from reporting year) page views on the website from the launch date to the end of the social media campaign (2 October – 31 October).

We secured a 2 year press partnership with Newsquest, who are responsible for The Glasgow Evening Times and The Herald. Newsquest was keen to support Alzheimer Scotland with our Fair Dementia Care campaign. The partnership began on 2 October 2019 when we launched our Fair Dementia Care documentary. Our partnership with Newsquest will be an ongoing one. Their 'Think Dementia' campaign's new Dementia Hub launched in February. The hub will feature regular podcasts on a wide range of topics and invites readers to submit questions for experts to answer in live online clinics. An article on Fair Dementia Care was the most read news article on the Herald's website on 13 February 2020.

There was an exceptional response from the media around our 90,000th Dementia Friend story focusing on 7-year-old Grace Robertson from Dunblane during mid-December 2019. Over 50 regional media hits were recognised from this article.

Our social media channels played a significant role in communicating our key messages and campaigns during 2019, including DAW and the launch of the Fair Dementia Care film. Due to this, our channels once again grew during this period. The biggest growth was in our Instagram channel for the second year running, which grew by 34% to 2,665 followers. Our Facebook, Twitter and LinkedIn channels have all also shown steady growth throughout the year, with 11.5% (31,630 followers), 9.5% (23,713 followers) and 22.7% (2,869 followers) growth noted respectively.

We launched a 10-week marketing campaign for the Dementia Dog project in August. The Dementia Dog campaign secured coverage from Johnston Press, the Courier and the Daily Record with the first week noting that £5,000 (of the £30,000 target) had been reached.

In September 2019, we launched our new website. The platform is now mobile-friendly and encapsulates initiatives and projects that had previously sat on alternative platforms which in turn had diluted the value of what Alzheimer Scotland can offer. It is now more representative of what we offer in our localities and has greater capacity to ensure that those who do connect with us on this medium, can not only find more easily what they are looking for, but allows us to interact with them more so as to encourage on-going engagement with us in various areas such as fundraising, volunteering, campaigning etc. The website will enter a second phase of development to allow test audience blocks, gain user feedback, refine navigation and enhance messaging/personalisation. Since launch, the website has had 608,451 overall page views, and 153,854 individual users.

6.7 Fundraising

Overall in excess of £7.4m (fundraised income and legacies) was raised in 2019/20. Every donation we receive makes a difference and we have continued to ensure best practice in every aspect of our fundraising work. The three heads of fundraising worked collaboratively to develop a new fundraising strategy which was presented to and approved by the senior management team and the Board.

To support the strategy, the restructure of the fundraising team was completed in 2019/20, bringing in new staff with increased experience to support the growth of the various fundraising income streams. The result is a strong team who work collaboratively to develop sustained income for the future. We remain extremely grateful to all our supporters who have helped us throughout the year, raising money to support our work in many and varied ways.

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Legacies

In 2019/20 we received just short of £3.2m from our very generous supporters who left us gifts in their wills. This is the highest amount we have ever recorded from legacies. We launched a new legacy campaign in February 2020 to increase our information and publications around legacies and highlight the vital work that these donations support.

Events

Sporting and challenge events raised £778,247 in 2019/20. The team expanded the portfolio of events and developed the supporter recruitment and engagement strategy. Alzheimer Scotland was ranked the top performing premier affiliate charity at the Edinburgh Marathon Festival raising £130,000 and by developing a new recruitment strategy we grew the income for the Kiltwalk series to £175,000.

Corporate Partnerships

Corporate partnerships raised just under £600,000 in 2019/20. Recruitment of the newly formed corporate partnership team was completed in 2019 with a strong focus on developing the new business strategy and building up lasting relationships with corporate partners that extended beyond fundraising to support all areas of the charity. We secured new opportunities that included strategic partnerships, customer relationship management products, corporate events and sponsorship opportunities.

We developed a strong working relationship with our new partner William Hill and shared key successes throughout the first year of that partnership, including raising £30,000, training 1,600 of their staff to be Dementia Friends and gaining 5,000 signatures in support of the Fair Dementia Care campaign. Other key partnerships secured include Brodies LLP, Santander, Shearings Ltd and Duncan & Todd.

Locality (community) Fundraising

Locality (community) fundraising raised just over £1.4m during 2019/20. As part of the overall restructure of the fundraising team, locality (community) fundraising was completely reorganised. New staff were recruited throughout the year and the geographic areas covered by individuals were more closely aligned with the defined areas used to deliver our support services. This has enabled strong working relationships to be established, allowing supporters throughout Scotland to receive a consistent high standard of personalised help to maximise their fundraising. We also took the opportunity to refresh Memory Walks, resulting in increased participant numbers as well as increased income.

7. Financial review

We ended the financial year with a surplus of £507,907 (2018/19 surplus £745,771).

The Statement of Financial Activities shows that total annual income of £16,923,906 was up by 0.8% (£16,793,175 – 2018/19), and total expenditure of £16,334,062 was up by 1.3% (£16,125,523 – 2018/19). Net loss on investments is £81,937 (gain of £78,119 – 2018/19). This gives us the net surplus of £507,907 (surplus of £745,771 - 2018/19).

Tangible assets reduced by 0.5% from £7,291,253 to £7,256,841. Details of fixed assets are shown in Note 13 to the financial statements.

The Group (being the charitable company, namely Alzheimer Scotland – Action on Dementia and our trading subsidiary, Dementia Scotland Limited) has free reserves of £3,988,277 (£3,648,428 – 2018/19).

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The free reserves relate to services, branches and national office. Each service aims to have around twelve weeks' running costs as cash reserves, which means the unrestricted funds balance is more than the £3.7 million required. The Board of Directors considers the key measure of sustainability for Alzheimer Scotland to be the current and future liquidity cover, rather than the surplus or loss accounting position. Directors have decided that at all times we should maintain cash and readily realisable assets sufficient to fund twelve weeks of cash outflow. The twelve weeks' running costs is to allow, in the event of having to close all services and projects, for having sufficient funds to ensure a safe closure in terms of Care Inspectorate and staff notice periods.

The Directors approve recommendations for the use of funds from the General Funds for strategic commitments or restricted uses, taking into account the unpredictability of legacy income and the organisation's reserves policy. Each year decisions are made about the use of reserves when the annual budget is prepared and approved.

The Group has restricted funds of £1,755,134 (£1,173,220 - 2018/19). This includes restricted income funds of £106,595 and the restricted legacy reserve of £1,648,539. Restricted funds must be used for the purpose or area for which they were given, and the group seeks opportunities to use these funds, where appropriate, in agreement with the providers.

The endowment fund of £103,901 (£103,368 - 2018/19) is the Michael Clutterbuck Bequest. Under the terms of the bequest, the group retains the capital of £100,000 and when sufficient interest accumulates, spends the interest on innovative home support services.

Total funds are now £15,202,508 (£14,694,899 – 2018/19) (3.5% increase on 2018/19), £5,847,312 of which are net current assets. The proportion of total reserves that is unrestricted is 87.8% (91.3% 2018/19).

The principal funding sources for Alzheimer Scotland are Local Authorities (33%), NHS Boards (8%), Scottish Government and specific grants (6%), fundraising, trusts and donations (30%), legacies (19%), private individual payments for SDS and home private purchase (2%), training, conference and consulatant income (1%) investment income (1%) and Caledonia Social Care share of surplus (0%).

Most of the organisation's charitable expenditure is spent on care related services at 92.51%. The other 7.49% is split as follows: fundraising 2.31%, campaigning 1.02%, research 1.56%, involvement 1.92% and awareness raising 0.68%. Support costs included in the above is 7.32% of total expenditure and includes governance of 0.30%.

The organisation's banking policy is to minimise risk by holding liquid reserves in interest-bearing bank accounts. The organisation's investment policy was extended so as to invest through external fund managers Sarasin. Initially £1 million was placed with them in 2014/15 which will help secure future growth and better returns than are presently enjoyed by holding cash in low interest rate accounts. As a consequence of the sale of our previous premises at Drumsheugh Gardens, we invested a further £1 million with Sarasin in 2017/18. During 2019/20 we withdrew £350,000 to enable investment in a new Dementia Resource Centre. These investments are closely monitored by the Finance Audit Committee (FAC) at all their meetings; in addition, the investment managers meet with the FAC and then separately with the Board on an annual basis to discuss the investments and markets in general. The year-end listed equities balance is £1,915,090 (£2,328,813 - 2018/19).

The investment income of £102,514 (£100,384 – 2018/19) comprises bank interest of £27,783 and £74,731 income from our investments with Sarasin.

8. Future Plans

In March this year Scotland experienced the initial impact of the Coronavirus. The UK and Scottish Governments introduced measures designed to save lives and protect our National Health Services. A national lockdown was put in place that month and it is anticipated that this will be in place for some time for the general public, and that for people over seventy some form of social distancing and self-isolation could be in place until such times as a vaccine becomes available.

Our assessment is that this will have a significant impact on all our work. Our core frontline services will not be able to function as normal, group activities and gatherings will be severely restricted and we have already transferred many of our support activities onto a digital platform, combined with an extensive telephone outreach programme in order to continue to provide vital support for people with dementia and their families. We have negotiated converting our Day Care Services into home based and digital one to one support. Our supported housing service at Croftspar, Glasgow will continue as normal as will some of our community connection projects. Overall we anticipate that the financial harm caused in 2020/21 by the Covid-19 could be a reduction of £1.5m cash and a forecast deficit of £2m. we have sufficient funds available to cover this reduction in reserves.

Once we progress through the peak of the virus we will seek to use our Dementia Resource Centres to provide small scale Covid-19 safe therapeutic one-to-one support and for carers much needed essential respite there. We will maintain delivery of our post diagnostic support through our Link Workers and where possible reintroduce face to face contact for people who are going through these early stages of living with dementia, accentuating this support with the vital work of our Community Activity Organiser and Volunteer Co-ordinators. Central to all of our support will be our 24hr Dementia Helpline and we will increase the staff support to the Helpline Volunteers in order to help cope with the significant increase in demand that we anticipate.

Unfortunately, all of our main planned fundraising events, conferences and our Forty Year Anniversary celebrations will either be cancelled or put on hold. We will introduce new on-line and digital fundraising opportunities to compensate for this but we predict a substantial impact on the level of income we will receive through a lack of fundraised events and activities as we go through the year 2020/21. We will monitor this carefully and if and when necessary we will reshape the core functions and structures of the organisation to mitigate this loss of income.

We will delay the launch of Brain Health Scotland until Autumn 2020, although we will continue to progress with the initial foundations and staff recruitment throughout April and May. Alongside this we will continue to support our current research commitments and look carefully with all our partners at how we can maintain our research focus and aspirations for Scotland.

In summary, we predict that this year 2020/21 will be perhaps the toughest year the organisation has faced and that we will be particularly impacted by the severity of this virus on older people and the measures that will need to be put in place to mitigate this risk and save lives.

We will do all that we can to provide as much frontline support as possible and ensure that throughout this pandemic no-one will face dementia on their own.

9. Going concern

The impact of Covid-19 as highlighted above is going to have a significant impact on the finances of the organisation. The Executive Team initially presented a budget to the Finance Audit Committee highlighting a deficit of £600,000 for 2020/21. This was reviewed and adjusted to predict a £3m deficit based on an estimated reduction in fundraising income, due to lockdown, fundraising events being postponed or cancelled and the general impact on the economy. In order to assess the level of headroom in the liquidity, we performed stress testing analysis on the forecasts until 2021/22. Two scenarios were prepared to assess the further reduction in income which would result in reserves falling below Reserves policy (being 12 weeks of costs) and also for all liquid resources to be exhausted. The first of these would require total income for 2021 to be at 88% of 2020 and income for 2022 to be at 76% of income for 2020. The second of these would require income for 2021 to be at 88% of 2020 and income for 2022 to be at 50% of income for 2020. We forecast a reduction in voluntary income of 35% from the level achieved for the year ended 2020.

Since March 2020 we have reforecast this position and now estimate a reduced impact to be around £2m. This is primarily due to the value of the Government's Job Retention Scheme (which we had not included in the original £3m forecast) and in our success in the award of grants and trust donations as a result of COVID-19, plus some general savings from offices being closed, staff travel restrictions and not filling any staff vacancies. The reforecast of £2m is not the true cash impact as that includes depreciation of £600,000. In general terms this highlights that our liquid reserves will drop by £1.4m and it is clear from the Balance Sheet that we have a good level of cash available to cover this estimated shortfall. We are also developing plans to cut costs further re a staffing restructure and a review of our main cost drivers so that future year cash-flows can be safeguarded.

The Directors have reviewed the financial position, the financial forecasts and the results of the stress testing, all of which cover the 3 years to March 2023, taking into account the levels of investments, reserves and cash, and the systems of financial control and risk management. As a result of this, the Directors believe that we are well placed to manage financial and operational risks successfully.

Accordingly, the Directors have a realistic expectation that the Charitable Company and the Group have adequate resources to continue in operational existence for the foreseeable future. As a consequence, they continue to support the going concern basis in preparing the financial statements.

10. Statement of Directors' responsibilities

The Directors (who are as previously explained also the Trustees of Alzheimer Scotland for the purposes of charity law) are responsible for preparing the Directors' Report, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Charity and company law require the Directors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company and the Group for that period.

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In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Provision of information to auditor at the time of approval of this report:

- So far as the Directors are aware, there is no relevant audit information of which the auditor is unaware, and
- The Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

In approving the Directors' Annual Report, the Directors are also approving the Strategic Report in their capacity as Company Directors.

By order of the Board of Directors



Convenor and Director

David McClements,
Edinburgh
28th August 2020

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF ALZHEIMER
SCOTLAND – ACTION ON DEMENTIA**

Opinion

We have audited the financial statements of Alzheimer Scotland – Action on Dementia (“the parent charitable company”) and its subsidiaries (“the group”) for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the consolidated and company balance sheets, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2020 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the directors' report, strategic report and financial statements, other than the financial statements and our auditor's report thereon. The

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other information comprises: the directors' report – including strategic report. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report included within the Trustees report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of directors' responsibilities the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Gill (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Edinburgh, UK
Date:

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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Consolidated Statement of Financial Activities (SOFA)
Incorporating income and expenditure account

For the year ended 31 March 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total £	2019 Total £
Income and endowments from						
Donations and legacies	4	7,069,254	742,425	0	7,811,679	6,928,429
Other trading activities	5	447,212	0	0	447,212	455,637
Income from charitable activities	6	473,648	8,086,342	0	8,559,990	9,201,624
Income from investments		96,689	5,292	533	102,514	100,384
Share of surplus of associate	15	0	0	0	0	107,101
Other (gain on disposal of tangible assets)		2,511	0	0	2,511	0
Total income		8,089,314	8,834,059	533	16,923,906	16,793,175
Expenditure on						
Raising funds	7	(377,058)	(359)	0	(377,417)	(440,666)
Charitable activities	8	(6,021,291)	(9,934,216)	0	(15,955,507)	(15,684,857)
Share of loss of associate	15	(1,138)	0	0	(1,138)	0
Total expenditure		(6,399,487)	(9,934,575)	0	(16,334,062)	(16,125,523)
Net (loss)/gains on investments		(81,937)	0	0	(81,937)	78,119
Net income/(expenditure)		1,607,890	(1,100,516)	533	507,907	745,771
Transfers between funds	20,22	(1,682,430)	1,682,430	0	0	0
Net movement in funds		(74,540)	581,914	533	507,907	745,771
Reconciliation of funds						
Total funds brought forward		13,418,311	1,173,220	103,368	14,694,899	13,949,128
Total funds carried forward	20-23	13,343,771	1,755,134	103,901	15,202,806	14,694,899

The consolidated statement of financial activities includes all gains and losses recognised in the year.

Prior year comparative breakdown across funds is shown in Note 3.

All results reflect continuing operations – highlighted further in Note 1(n).

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA
(a company limited by guarantee and not having share capital)
For the year ended 31 March 2020

Consolidated and Company Balance Sheets

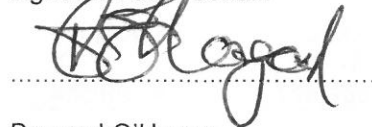
At 31 March 2020

		Group 2020	2019	Company 2020	2019
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13	7,256,841	7,291,253	7,234,208	7,291,253
Investments	14	1,972,355	2,329,561	1,972,355	2,329,561
Investments in subsidiary and associate undertakings	15	147,931	149,069	126,000	126,000
Total fixed assets		9,377,127	9,769,883	9,332,563	9,746,814
Current assets					
Debtors: amounts due within one year	16	1,961,399	2,259,932	1,963,919	2,247,221
Cash at bank and in hand		5,389,477	4,198,544	5,383,839	4,190,476
Total current assets		7,350,876	6,458,476	7,347,758	6,437,697
Liabilities					
Creditors: amounts falling due within one year	17	(1,525,197)	(1,533,460)	(1,500,446)	(1,513,681)
Net current assets		5,825,679	4,925,016	5,847,312	4,924,016
Total assets less current liabilities		15,202,806	14,694,899	15,179,875	14,670,830
Funds					
Restricted income funds	20	1,755,134	1,173,220	1,755,134	1,173,220
Endowment funds	21	103,901	103,368	103,901	103,368
Total restricted funds		1,859,035	1,276,588	1,859,035	1,276,588
Unrestricted funds	22	13,343,771	13,418,311	13,320,840	13,394,242
Total unrestricted funds		13,343,771	13,418,311	13,320,840	13,394,242
Total Funds		15,202,806	14,694,899	15,179,875	14,670,830

The surplus for the year of the charitable company being the parent company is £509,045 (2018/19 surplus £638,670).

No separate Statement of Financial Activities has been presented for the company alone, as permitted by section 408 of the Companies Act 2006.

The financial statements were authorised and approved by the Directors on 28th August 2020 and were signed on their behalf:



Bernard O'Hagan
Treasurer and Director



David McClements
Convenor and Director

Company registration number SC149069
Charity number SC022315

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA
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Consolidated statement of Cash Flows

For the year ended 31 March 2020

	2020	2019
	£	£
Cash flows from operating activities		
Net income for the reporting period (as per statement of financial activities)	507,907	745,771
Depreciation charges	562,348	512,341
Decrease /(increase) in debtors	298,533	(712,414)
(Decrease)/increase in creditors	7,458	114,233
Losses/(gains) on investments	81,937	(78,119)
Share of Losses/(gains) of associates	1,138	(107,101)
Gain on disposal of fixed assets	(2,511)	0
Dividends, interest and rents from investments	(102,514)	(100,384)
Net cash provided by operating activities	1,354,296	374,327
Cash flows from investing activities		
Purchase of fixed assets	(541,360)	(756,869)
Proceeds from sale of investments	332,000	0
Purchase of investments	0	(93,485)
Dividends and interest from investments	102,514	100,384
Reduction in fixed term deposits	(13,260)	984,720
Net cash provided (used in)/by investing activities	(120,106)	234,750
Increase in cash and cash equivalents	1,234,190	609,077
Cash and cash equivalents at start of year	2,630,459	2,021,382
Cash and cash equivalents at end of year	3,864,649	2,630,459
Analysis of cash and cash equivalents		
	2020	2019
	£	£
Cash in hand – bank	3,057,384	1,880,166
Cash held by investment manager	57,265	748
Notice deposits (less than 3 months)	750,000	749,545
Total for cash flow purposes	3,864,649	2,630,459
Term deposits	1,582,093	1,568,833
Less cash held by investment manager	(57,265)	(748)
Total cash at bank and in hand	5,389,477	4,198,544

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For the year ended 31 March 2020

Notes to the Financial Statements

1. General information

Alzheimer Scotland – Action on Dementia is a registered charity and company limited by guarantee, incorporated in Scotland, UK, company number SC149069. The nature of the Group's operations and activities are set out on pages 4 and 5. The charity is registered at 160 Dundee Street, Edinburgh, Scotland EH11 1DQ.

2. Accounting policies

(a) Basis of accounting

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charity and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

The preparation of the financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires the Charity to exercise judgement in applying the entity accounting policies (see Note 2(w) below).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The Statement of Financial Activities and balance sheet consolidate the financial statements of the company, its subsidiary and its associate undertakings. The results of the subsidiary are consolidated on a line by line basis. Our associate Caledonia Social Care Limited will be consolidated on the equity method in future years once trading commences.

The company has used paragraph 4(1) of Schedule 1 to SI 2008 No. 410 "The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008" to reflect the special nature of the company's activities. Alzheimer Scotland – Action on Dementia constitutes a public benefit entity as defined by FRS 102.

The group's functional and presentational currency is GBP. The financial statements have been prepared to the nearest £1.

In accordance with Section 1 of FRS102, exemption has been taken from disclosing a statement of cash flows for the charitable parent company.

(b) Going Concern

The impact of Covid-19 as highlighted above is going to have a sufficient impact on the finances of the organisation, the Executive Team initially presented a budget to the Finance Audit Committee highlighting a deficit of £600,000 for 2020/21, this was reviewed and adjusted to predict a £3m deficit based on an estimated reduction in fundraising income, due to lockdown, fundraising events being postponed or cancelled and the general impact on the economy. In order to assess the level of headroom in the liquidity we performed stress testing analysis on the forecasts until 2021/22. Two scenarios were prepared to assess the further reduction in income which would result in reserves falling below reserves policy (being 12 weeks of costs) and also for all liquid resources to be exhausted. The first of these would require total income for 2021 to be at 88% of 2020 and income for 2022 to be at 76% of income for 2020. The second of these would require income for 2021 to be at 88% of 2020 and income for 2022 to be at 50% of income for 2020. We forecast a reduction in voluntary income of 35% from the level achieved for the year ended 2020.

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For the year ended 31 March 2020

Since that time we have reforecast this position and now estimate a reduced impact to be around £2m, this is primarily due to the government job retention scheme which we did not include in the original £3m forecast and being successful in being awarded grants and trusts as a result of COVID-19, plus some general savings from offices being closed, staff travel restrictions, not filling any staff vacancies. The reforecast of £2m is not the true cash impact as that includes depreciation of £600,000. In general terms this highlights that our liquid reserves will drop by £1.4m and it is clear from the Balance Sheet that we have a good level of cash available to cover this estimated shortfall. We are also developing plans to cut costs further re a staffing restructure and a review of our main cost drivers so that future year cash-flows can be safeguarded.

The Directors have reviewed the financial position, the financial forecasts and the results of the stress testing, all of which cover the 3 years to March 2023, taking into account the levels of investments, reserves and cash, and the systems of financial control and risk management. As a result of this, the Directors believe that we are well placed to manage financial and operational risks successfully.

Accordingly, the Directors have a realistic expectation that the Charitable Company and the Group have adequate resources to continue in operational existence for the foreseeable future. As a consequence, they continue to support the going concern basis in preparing the financial statements. The Directors have reviewed the financial position and financial forecasts, which cover the 3 years to March 2023, taking into account the levels of investments, reserves and cash, and the systems of financial control and risk management. As a result of this, the Directors believe that we are well placed to manage financial and operational risks successfully.

(c) Branch financial statements

The transactions of the company's branches are recognised on a cash basis. The Statement of Financial Activities includes the income and expenditure of the branches. The Balance Sheet includes the branch reserves and cash at bank and in hand held by branches.

(d) Public funding and trust grants

Public funding and trust grants are credited to the Statement of Financial Activities in the year for which they are receivable including government grants.

Deferred income represents amounts received either for future periods or before any performance conditions attached to the grants have been met. Deferred income is released to income in the period either for which it has been received or in which the performance conditions have been met.

(e) Donations and legacies

Donations and legacies are accounted for when receivable. The recognition criteria are entitlement, probable and measurement.

(f) Membership subscriptions

Membership subscriptions are for a financial year and are accounted for when receivable.

(g) Donated goods/services

On receipt, donated goods are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt or capitalised where they relate to capital items.

(h) Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been attributed directly to one of the functional categories of expenditure in the Statement of Financial Activities on the basis of resources used.

(i) Allocation of expenditure

Raising funds include the costs incurred in generating income from donations and legacies, retail trading costs, fundraising event costs and publicity costs. These costs are regarded as necessary to generate funds that are needed to finance charitable activities.

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Charitable activities expenditure enables Alzheimer Scotland – Action on Dementia to meet its charitable aims and objectives. Governance costs are associated with the governance arrangements of the charity, and relate to the general running of the charity at a strategic level.

These costs include audit fees, directors' indemnity, insurance and costs associated with meeting constitutional and statutory requirements such as cost of Directors' meetings. Support costs are those costs which enable fund generating and charitable activities to be undertaken and include finance, HR, IT, and property maintenance. Where expenditure incurred relates to more than one cost category it is apportioned. The method of apportionment uses the most appropriate basis which is mainly time cost apportionment.

(j) Operating leases

Operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term. Any lease incentives are spread over the period of the lease.

(k) Tangible fixed assets

All fixed assets costing over £5,000 (2018/19 £5,000) including VAT are capitalised and depreciated.

(l) Cash flow and liquid resources

Cash flows comprise increases and decreases in cash and include cash in hand and cash at bank. Liquid resources comprise assets held as a readily disposable store of value. They include cash term deposits and bank notice accounts. Cash and cash equivalents comprise cash at bank, cash on deposit where funds can be accessed without penalty within three months or less from opening the account and cash held with the investment manager. There are two bank accounts established on 90 day access terms, the purpose of this is secure a higher rate of interest, there are interest penalties if access is needed before the 90 days expires, however this is factored into the cash-flow models to avoid such a development.

(m) Fund accounting

The unrestricted funds comprise of accumulated unrestricted surpluses and deficits. Restricted income funds are subject to restrictions imposed by the donor. The Endowment fund, which is permanent, represents the amount for which the capital must be retained and invested.

(n) Investments

Investments are revalued monthly so that when investments are sold, gains or losses which arose before the previous year-end have already been recognised. The Statement of Financial Activities includes unrealised movements in value arising from investment changes or revaluation at the year end, together with realised gains and losses on disposal of investments.

(o) Associates

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions (along with the 31% holding, the associate loan agreement contains provisions that reinforce this significant influence).

We established a new employee owned entity, Caledonia Social Care Limited (CSC) during 2016/17. The entity started trading on the 3 April 2017 and Alzheimer Scotland has invested £125,000 in share capital and £475,000 by way of an interest-bearing loan, which was later changed to a one-off grant. This investment in April 2017 gives the charity a 31% share in the company, with 69% owned by the Employee Owned Trust.

The investment is currently at £147,931 (note 15) on a consolidated group basis as recognition of the 31% share of the profit from CSC under the equity method of accounting.

The purpose of the new entity was to allow us to transfer most our care at home service contracts and support staff – this resulted in a transfer of around 200 staff and £2.5m of home care service income being removed from our Income and Expenditure – because of the financial limitations of these contracts there will be no adverse effect to our Net Income or Expenditure line on this Statement of Financial Activities.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price

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(including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate. The consolidated statement of financial activities includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group. In the consolidated balance sheet, the interests in associated undertakings and joint ventures are shown as the group's share of the identifiable net assets, including any unamortised premium paid on acquisition. Any premium on acquisition is dealt with in accordance with the goodwill policy.

(p) Depreciation of tangible fixed assets

Depreciation is provided on all fixed assets at rates calculated to write off the cost or valuation less estimated residual value of each asset evenly over its expected useful life as follows:

Heritable property	50 years
Leasehold property	over the term of the lease
Other tangible fixed assets	5 years

(q) Pension costs

The company operates a defined contribution group personal pension scheme for a money purchase pension so there is no outstanding liability to the company or group. Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme.

(r) Value added tax

The charitable company is not registered for VAT and accordingly expenditure includes value added tax where applicable.

(s) Financial instruments

Financial assets and liabilities are initially measured at transaction price (including transaction costs). The Group only has financial assets and liabilities of a kind that qualify as basic financial instruments. An analysis is given in note 19.

(t) Holiday pay

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

(u) Termination benefits

Alzheimer Scotland – Action on Dementia accepts that there are occasions when it may be necessary to make staff redundant or terminate their employment; our intention is to manage the business in a manner which results in secure employment for our employees and will always try to avoid the need for compulsory redundancies. Payments for redundancy are calculated on the basis of paying the statutory entitlements or above.

(v) Dilapidation provision

Our practice is to ensure that premises are maintained to a good standard throughout the lease term, such that the obligation arising at the end of the lease term is minimised. Dilapidations costs are estimated, and a provision has been established based on the estimated dilapidation costs of the individual leased properties, this is then adjusted as maintenance costs are incurred and new leases are taken out.

(w) Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have made the following judgements:

Determined whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and the viability and expected future performance of that asset.

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Other key sources of estimation uncertainty

Tangible fixed assets (see note 13)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

(x) Donated professional services

Donated professional services and donated facilities are recognised as income, if a value can be reliably measured, at the value to the charity when received. In accordance with the Charities SORP (FRS 102), no amounts are included in the financial statements for services carried out by volunteers, including professional services provided directly by volunteers. The number of active volunteers of 882 has reduced by 82 (2019: 964).

3. SOFA prior year comparison disclosure

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total £
Income and endowments from					
Donations and legacies	4	6,787,999	140,430	0	6,928,429
Other trading activities	5	455,637	0	0	455,637
Income from charitable activities	6	524,928	8,676,696	0	9,201,624
Income from investments		95,117	5,017	250	100,384
Share of surplus of associate	15	107,101	0	0	107,101
Total income		7,970,782	8,822,143	250	16,793,175
Expenditure on					
Raising funds	7	(440,063)	(603)	0	(440,666)
Charitable activities	8	(5,504,966)	(10,179,891)	0	(15,684,857)
Total expenditure		(5,945,029)	(10,180,494)	0	(16,125,523)
Net gains/(loss) on investments		78,119	0	0	78,119
Net income/(expenditure)		2,103,872	(1,358,351)	250	745,771
Transfers between funds	20,22	(1,216,343)	1,236,343	(20,000)	0
Net movement in funds		887,529	(122,008)	(19,750)	745,771
Reconciliation of funds					
Total funds brought forward		12,530,782	1,295,228	123,118	13,949,128
Total funds carried forward	20-23	13,418,311	1,173,220	103,368	14,694,899

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4. Donations and legacies

	2020 £	2019 £
Donations	4,297,855	3,903,466
Legacies	3,173,294	2,593,717
Trust grants	340,530	431,246
Total	7,811,679	6,928,429

5. Other trading activities

Other trading activities	2020 £	2019 £
Events	294,523	258,240
Merchandise sales	128	154
Dementia Scotland including shops	152,561	197,243
Total	447,212	455,637

6. Income from charitable activities

2020	Provision of care related services £	Awareness raising £	Campaigning £	Involvement £	Total £
Public funding	7,471,159	0	20,862	356,848	7,848,869
Service user income	351,239	0	0	0	351,239
Other charitable income	245,267	57,097	46,100	11,418	359,882
Total	8,067,665	57,097	66,962	368,266	8,559,990

2019	Provision of care related services £	Awareness raising £	Campaigning £	Involvement £	Total £
Public funding	8,003,381	0	23,675	320,162	8,347,218
Service user income	408,076	0	0	0	408,076
Other charitable income	334,581	53,672	41,861	16,216	446,330
Total	8,746,038	53,672	65,536	336,378	9,201,624

Public funding included the following Scottish Government grants:

	2020 £	2019 £
TEC Funding – Development	314,769	596,732
Dementia Nurses Funding	170,862	173,675
AHP Project	189,848	148,662
Section 10, Social Work (Scotland) Act 1968	167,000	167,000
Diagnosis Project	26,040	0
Integrated Co-ordinated approach	0	13,000
Total	868,519	1,099,069

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7. Raising funds

2020	Activities undertaken directly £	Support costs (Note 9) £	Total £
Fundraising costs	217,110	17,604	234,714
Trading activities	142,703	0	142,703
Total	359,813	17,604	377,417

2019	Activities undertaken directly £	Support costs (Note 9) £	Total £
Fundraising costs	254,472	20,633	275,105
Trading activities	165,561	0	165,561
Total	420,033	20,633	440,666

Types of activities undertaken to generate funds were trust applications, events, appeals and shops. Support costs are calculated at 7.5% of fundraised costs. This is the percentage calculated to cover national office support functions including Human Resources, IT, Finance and Governance costs.

8. Charitable activities

2020	Activities undertaken directly £	Support Costs (Note 9) £	Total £
Provision of care related services	13,976,765	1,133,252	15,110,017
Awareness raising	102,261	8,291	110,552
Campaigning	153,381	12,436	165,817
Involvement	290,301	23,539	313,840
Research	255,281	0	255,281
Total	14,777,989	1,177,518	15,955,507

2019	Activities undertaken directly £	Support Costs (Note 9) £	Total £
Provision of care related services	13,743,883	1,114,368	14,858,251
Awareness raising	80,809	6,552	87,361
Campaigning	100,317	8,134	108,451
Involvement	310,915	25,210	336,125
Research	294,669	0	294,669
Total	14,530,593	1,154,264	15,684,857

Operating lease rentals of £277,624 (2019 £220,796) are included in activities undertaken directly.

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9. Analysis of support costs

2020	Fundraising incl. shops	Provision of care related services	Awareness Raising	Campaigning	Involve- ment	2020 Total (Note 7&8)
Support cost	£	£	£	£	£	£
Governance (note 10)	1,139	45,608	375	594	954	48,670
Management	2,261	149,331	1,087	1,626	3,101	157,406
Finance	4,998	330,141	2,403	3,595	6,855	347,992
IT	5,884	388,708	2,829	4,232	8,072	409,725
Human resources	3,322	219,464	1,597	2,389	4,557	231,329
Total	17,604	1,133,252	8,291	12,436	23,539	1,195,122

2019	Fundraising incl. shops	Provision of care related services	Awareness Raising	Campaigning	Involve- ment	Total (Note 7&8)
Support cost	£	£	£	£	£	£
Governance (note 10)	1,161	47,117	79	62	400	49,419
Management	2,842	155,767	945	1,091	3,621	164,266
Finance	5,054	277,020	1,680	1,939	6,440	292,133
IT	7,191	394,138	2,390	2,759	9,162	415,640
Human resources	4,385	240,326	1,458	1,683	5,587	253,439
Total	20,633	1,114,368	6,552	8,134	25,210	1,174,897

Support costs were apportioned on the basis of the total of direct expenditure, except research which was excluded from the apportionment because research comprises large sums with negligible support costs.

10. Governance costs

Governance costs	2020 £	2019 £
Audit fees	22,380	23,670
Non-audit fees for tax compliance	26	0
Directors' indemnity insurance	3,199	2,372
Directors' meetings and other costs (includes AGM costs)	23,065	23,377
Total	48,670	49,419

Within Directors' meetings and other costs, 5 members of the Board received travel and subsistence expenses of £747 (2019 - 4 members received £763). The organisation has put in place qualifying third-party indemnity provisions for all of the directors of the Group.

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11. Staff payroll costs and numbers

Staff payroll costs and numbers	2020	2019
	£	£
Wages and salaries	9,302,039	9,029,399
Social security costs	734,851	701,980
Pension costs	457,660	422,319
Redundancy and termination	51,980	100,830
Total	10,546,530	10,254,528

Number of employees earning between £60,000 and £70,000	1	2
Number of employees earning between £70,000 and £80,000	2	0
Number of employees earning between £80,000 and £90,000	0	0
Number of employees earning between £90,000 and £100,000	1	1

	2020	2019
	£	£
Total number of employees	512	520
Support staff	229	217
Administration staff	116	125
Average number of full time of employees	345	342

12. Key Management Remuneration and Related parties

The total amount of the five key management personnel is £452,907 (2019: £373,728).

These management personnel are the Executive Directors who are authorised by the Board to make decisions on the day to day running of the organisation. This includes financial, staffing and operational decisions. The remuneration of the charity's key management is set, monitored and reviewed by a Remuneration Committee, subject to final Board approval. The overall pay award budget for the key management posts will take into account factors such as external benchmarking, performance of individual role holders and other factors such as affordability, etc.

No trustees received any remuneration from the company during the year (2019 - £nil).

Russel + Aitken received £2,608 (2019 - £46) for legal advice given during the year at their standard price. David McClements, a member of Board is also a member of Russel + Aitken.

June Carroll through her company Saol Nua, married to Tom Carroll a member of the Board, received £24,502 (2019 £28,966) for consultancy relating to merchandising and marketing.

Alzheimer Scotland hold 31% of the shares in Caledonia Social Care Limited and has a significant influence over the entity and as such this has been recorded as an associate company. Included within the Company Investments in Associates, Note 15, is the initial £125,000 share capital, with our share of the 2017/18 deficit deducted, the share of the 2018/19 surplus plus share of the 2019/20 deficit.

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13. Tangible fixed assets

Group	Freehold property £	Leasehold property £	Motor vehicles £	Fixtures & Fittings £	Total £
Cost					
At beginning of the year	7,281,098	173,329	301,820	2,834,998	10,591,245
Additions	187,582	0	0	344,065	531,647
Disposals	0	0	(12,870)	(64,394)	(77,264)
At end of the year	7,468,680	173,329	288,950	3,114,669	11,045,628
Depreciation					
At beginning of the year	(1,187,128)	(121,332)	(236,819)	(1,754,713)	(3,299,992)
Depreciation	(146,858)	(4,333)	(23,507)	(387,650)	(562,348)
Disposals	0	0	12,870	60,683	73,553
At end of the year	(1,333,986)	(125,665)	(247,456)	(2,081,680)	(3,788,787)
Net book value at the beginning of the year	6,093,970	51,997	65,001	1,080,285	7,291,253
Net book value at end of the year	6,134,694	47,664	41,494	1,032,989	7,256,841
Company					
	Freehold property £	Leasehold property £	Motor vehicles £	Fixtures & Fittings £	Total £
Cost					
At beginning of the year	7,281,098	173,329	301,820	2,834,998	10,591,245
Additions	187,582	0	0	319,912	507,494
Disposals	0	0	(12,870)	(64,394)	(77,264)
At end of the year	7,468,680	173,329	288,950	3,090,516	11,021,475
Depreciation					
At beginning of the year	(1,187,128)	(121,332)	(236,819)	(1,754,713)	(3,299,992)
Depreciation	(146,858)	(4,333)	(23,507)	(386,130)	(560,828)
Disposals	0	0	12,870	60,683	73,553
At end of the year	(1,333,986)	(125,665)	(247,456)	(2,080,160)	(3,787,267)
Net book value at the beginning of the year	6,093,970	51,997	65,001	1,080,285	7,291,253
Net book value at end of the year	6,134,694	47,664	41,494	1,010,356	7,234,208

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14. Investments - funds

Investments – funds (Group and Company)	2020	2019
	£	£
Market value:		
At 1 April 2019	2,328,813	2,157,204
Purchase of investments at cost	0	93,485
Disposals at opening book value	(304,028)	(49)
Movement in market value	(109,909)	78,228
Management fees	(214)	(55)
	1,915,090	2,328,813
Cash held for investment	57,265	748
At 31 March 2020	1,972,355	2,329,561
Represented by:		
Listed equities	1,915,090	2,328,813
Cash held for investment purposes	57,265	748
	1,972,355	2,329,561
Fixed income	262,113	324,884
UK equities	532,091	464,444
Global equities	756,265	1,100,603
Property	61,866	217,646
Alternative investments	189,992	100,814
	1,802,327	2,208,391
Liquid investments	112,763	120,422
Cash	57,265	748
At 31 March 2020	1,972,355	2,329,561
Investments held at cost:		
Listed equities	1,920,282	2,220,289
Cash held for investment purposes	57,265	748
	1,977,547	2,221,037

Listed investments included in the fund are overseas investments of £1,157,772 (58.7%) (2019: £1,372,111, 58.9%).

Investments are held within Sarasin Endowment Fund Class A INC.

The Directors consider the value of the investments to be supported by their underlying assets, as appropriate.

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15. Investments – subsidiary and associate undertakings

2020	Group £	Company £
At 1 April 2019	149,069	126,000
Share of loss of associate	(1,138)	0
At 31 March 2020	147,931	126,000

2019	Group £	Company £
At 1 April 2018	41,968	126,000
Share of surplus of associate	107,101	0
At 31 March 2019	149,069	126,000

Details of the subsidiary and associate undertakings at the balance sheet date are as follows:

Subsidiary	Principal activity	Class of Share	Holding %	Aggregate capital and reserves £
Dementia Scotland Limited 160 Dundee Street, Edinburgh, Scotland, EH11 1DQ SC296817	Retail & Events (minimum sponsorship)	Ordinary	100	1,000

Dementia Scotland Limited - Summary of Results	2020 £	2019 £
Turnover	152,561	197,242
Operating expenses – operations	(142,703)	(165,660)
Operating expenses - audit fees	(5,134)	(4,420)
Distribution to Alzheimer Scotland - Action on Dementia	(4,724)	(27,162)
	0	0
Net assets	1,000	1,000

Associate	Principal activity	Class of Share	Holding %	AS Investment £	Share of deficit for the year £
Caledonia Social Care Limited, 81 Oxford Street Glasgow, G5 9EO SC537263	Provision of care at home	Ordinary	31	125,000	(1,138)

Caledonia Social Care Limited	2020 £	2019 £
Aggregate capital and reserves	196,001	199,672

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16. Debtors

Amounts due within one year	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Service debtors	402,231	352,371	399,926	348,464
Other debtors	1,228,668	1,629,447	1,270,392	1,656,623
Prepayments	330,500	278,114	293,601	242,134
Total	1,961,399	2,259,932	1,963,919	2,247,221

17. Creditors: amounts falling due within one year

	Notes	Group		Company	
		2020	2019	2020	2019
		£	£	£	£
Deferred income	18	308,674	311,982	291,393	301,540
Trade creditors		377,488	325,877	369,162	298,368
Accruals		404,468	488,801	398,237	482,798
Other creditors		193,267	167,043	201,389	191,935
Pension costs		54,509	46,796	54,375	46,718
Social security costs and other taxes		186,791	192,961	185,890	192,322
Total		1,525,197	1,533,460	1,500,446	1,513,681

18. Deferred income

	Group	Group	Company	Company
	2020	2019	2020	2019
	£	£	£	£
Balance brought forward	311,982	297,904	301,540	285,215
Deferred income receivable	308,674	311,982	291,393	301,540
Deferred income released to statement of financial activities	(311,982)	(297,904)	(301,540)	(285,215)
Balance carried forward	308,674	311,982	291,393	301,540

Deferred income comprises payments received in advance of the expenditure made of before any performance conditions attached to the items of income have been met. The amounts below mostly refer to payments in advance for our AHP project, Dementia Nurse Consultants and other smaller grants, all of which will be utilised within 12 months.

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19. Financial Instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Financial Assets				
Financial Assets at fair value through income & expenditure	2,120,286	2,478,630	2,098,355	2,455,561
Financial assets measures at amortised cost	7,020,376	6,180,362	7,054,157	6,195,563
Financial Liabilities				
Financial Liabilities measured at amortised cost	1,029,732	1,028,517	1,023,163	1,019,819

Financial assets and liabilities are initially measured at transaction price (including transaction costs). The Group only has financial assets and liabilities of a kind that qualify as basic financial instruments.

Financial assets at fair value include investments held with Sarasin, cash held for investment purposes (note 14) and Investments in subsidiary and associate undertakings (note 15).

Financial assets measured at amortised cost include cash at bank and in hand, loans to associates, service debtors and other debtors.

Financial liabilities measured at amortised cost is measured at initial recognition less any repayments of the principal and these include trade creditors, other creditors, amounts due to associated undertakings, accruals and pension contributions.

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20. Restricted funds

2020	Notes	Fund balances brought forward £	Income £	Expenditure £	Transfers £	Fund balances carried forward £
Income funds:						
National Office	a	66,158	949,094	(1,174,585)	246,708	87,375
Services	b	28,149	6,985,969	(8,359,987)	1,345,869	0
Life Changes Trust - Befriending and peer support	c	0	11,450	(26,983)	15,533	0
Life Changes Trust - Dementia friendly communities	d	0	18,745	(21,380)	2,635	0
Life Changes Trust - Dementia dog	e	35,084	60,182	(101,712)	6,446	0
Post Code Lottery - Befriending project	f	17,150	12,500	(29,054)	(596)	0
Celtic Football Club – Befriending project	g	1,169	58,635	(40,584)	0	19,220
		147,710	8,096,575	(9,754,285)	1,616,595	106,595
Other funds:						
Restricted legacy reserve	h	1,025,510	631,357	(8,328)	0	1,648,539
Research reserve	i	0	106,127	(171,962)	65,835	0
		1,025,510	737,484	(180,290)	65,835	1,648,539
Total company and group restricted funds		1,173,220	8,834,059	(9,934,575)	1,682,430	1,755,134

2020 Notes:

- Income from Local authorities and Scottish Government restricted to various projects includes SDS work, AHP post and Internships, Dementia dialogue and Section 10 grant relating to Social work.
- Income from Local authorities, Health boards and Scottish Government restricted to core service delivery.
- Life changes trust – Befriending and peer support 5 year project based in Glasgow.
- Life changes trust – Befriending and peer support 5 year project based in Lanarkshire.
- Life changes trust – Dementia dogs 3 year assistance dog project, nationwide
- Post code lottery – Dementia befriending 2 year project in Fife and Lothians.
- Celtic football club – Dementia befriending 2 year project in Glasgow.
- Restricted legacy reserve income is from bequests that specify an area or purpose for the donations to be spent.
- Research reserve income is where bequests and donations specify to fund research into dementia.

Income funds include funds received through local authorities which must be spent in accordance with the conditions imposed by the relevant authority. The transfers column shows the charity moving its own funds from one heading to another so that funds are available where needed to meet charitable and other expenditure; this includes transfers between unrestricted and restricted funds and includes; internal funding relating to any service development plans, transferred to cover redesign of services, reserves covering all our fixed assets and internal rents paid by services housed within owned properties. The subsidiary companies have no restricted funds.

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20. Restricted funds continued 2019

	Notes	Fund balances brought forward £	Income £	Expenditure £	Transfers £	Fund balances carried forward £
Income funds:						
National Office	a	23,129	1,185,314	(1,103,265)	(39,020)	66,158
Services	b	0	7,243,009	(8,410,838)	1,195,978	28,149
Life Changes Trust - Dementia friendly communities	c	2,443	0	(864)	(1,579)	0
Life Changes Trust - Befriending and peer support	d	0	18,801	(25,191)	6,390	0
Life Changes Trust - Befriending and peer support	e	8,683	6,475	(20,819)	5,661	0
Life Changes Trust - Dementia friendly communities	f	2,571	(1,133)	(2,137)	699	0
Life Changes Trust - Dementia dog	g	36,258	145,436	(134,456)	(12,154)	35,084
Post Code Lottery - Befriending project	h	23,344	75,000	(81,194)	0	17,150
Celtic Football Club – Befriending project	i	0	29,318	(28,149)	0	1,169
		96,428	8,702,220	(9,806,913)	1,155,975	147,710
Other funds:						
Restricted legacy reserve	j	1,198,800	10,475	(183,765)	0	1,025,510
Research reserve	k	0	109,448	(189,816)	80,368	0
		1,198,800	119,923	(373,581)	80,368	1,025,510
Total company and group restricted funds		1,295,228	8,822,143	(10,180,494)	1,236,343	1,173,220

2019 Notes

- a. Income from Local authorities and Scottish Government restricted to various projects includes SDS work, AHP post and Internships, Dementia dialogue and Section 10 grant relating to Social work.
- b. Income from Local authorities, Health boards and Scottish Government restricted to core service delivery.
- c. Life changes trust - Dementia friendly community 3 year project based in West Dunbartonshire.
- d. Life changes trust – Befriending and peer support 5 year project based in Glasgow.
- e. Life changes trust – Befriending and peer support 5 year project based in Lanarkshire.
- f. Life changes trust – Dementia friendly community 3 year project based in Dumfries.
- g. Life changes trust – Dementia dogs 3 year assistance dog project, nationwide.
- h. Post code lottery – Dementia befriending 2 year project in Fife and Lothians.
- i. Celtic football club – Dementia befriending 2 year project in Glasgow.
- j. Restricted legacy reserve income is from bequests that specify an area or purpose for the donations to be spent.
- k. Research reserve income is where bequests and donations specify to fund research into dementia.

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21. Endowment fund

	Group and Company	
	2020	2019
	£	£
The Michael Clutterbuck Bequest		
Opening Balance	103,368	123,118
Interest	533	250
	103,901	123,368
Expenditure	0	(20,000)
Closing balance	103,901	103,368

The Michael Clutterbuck Bequest was established to fund initiatives providing nursing or home care for people with Alzheimer's disease. The Bequest is not accessible as general revenue for Alzheimer Scotland – Action on Dementia the sum of £100,000 is to be retained.

22. Unrestricted Funds

2020	Fund balances brought forward £	Income £	Expenditure £	Investment (loss)/gain £	Transfers £	Fund balances carried forward £
General funds	13,394,242	7,936,753	(6,250,512)	(81,937)	(1,677,706)	13,320,840
Total company unrestricted funds	13,394,242	7,936,753	(6,250,512)	(81,937)	(1,677,706)	13,320,840
Subsidiary undertaking profit and loss account reserves	0	152,561	(147,837)	0	(4,724)	0
Share of losses of associate	24,069	0	(1,138)	0	0	22,931
Total group unrestricted funds	13,418,311	8,089,314	(6,399,487)	(81,937)	(1,682,430)	13,343,771

2019	Fund balances brought forward £	Income £	Expenditure £	Investment gain/(loss) £	Transfers £	Fund balances carried forward £
General funds	12,613,814	7,666,438	(5,774,948)	78,119	(1,189,181)	13,394,242
Total company unrestricted funds	12,613,814	7,666,438	(5,774,948)	78,119	(1,189,181)	13,394,242
Subsidiary undertaking profit and loss account reserves	0	197,243	(170,081)	0	(27,162)	0
Share of profit of associate	(83,032)	107,101	0	0	0	24,069
Total group unrestricted funds	12,530,782	7,970,782	(5,945,029)	78,119	(1,216,343)	13,418,311

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The Board of Alzheimer Scotland – Action on Dementia established a legacy policy to ensure that the most efficient use is made of legacy income.

The transfers column shows the charity moving its own funds from one heading to another so that funds are available where needed to meet charitable and other expenditure; this includes transfers between unrestricted and restricted funds and includes; internal funding relating to any service development plans, transferred to cover redesign of services, reserves covering all our fixed assets and internal rents paid by services housed within owned properties.

23. Analysis of assets and liabilities among funds

	General Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£
2020				
Group				
Tangible fixed assets	7,256,841	0	0	7,256,841
Investments – Sarasin	1,972,355	0	0	1,972,355
Investments – subsidiary and associate undertakings	147,931	0	0	147,931
Net current assets	3,966,644	1,755,134	103,901	5,825,679
Total	13,343,771	1,755,134	103,901	15,202,806
Company				
Tangible fixed assets	7,234,208	0	0	7,234,208
Investments – Sarasin	1,972,355	0	0	1,972,355
Investments – subsidiary and associate undertakings	126,000	0	0	126,000
Net current assets	3,988,277	1,755,134	103,901	5,847,312
Total	13,320,840	1,755,134	103,901	15,179,875
2019				
Group				
Tangible fixed assets	7,291,253	0	0	7,291,253
Investments – Sarasin	2,329,561	0	0	2,329,561
Investments – subsidiary and associate undertakings	149,069	0	0	149,069
Net current assets	3,648,428	1,173,220	103,368	4,925,016
Total	13,418,311	1,173,220	103,368	14,694,899
Company				
Tangible fixed assets	7,291,253	0	0	7,291,253
Investments – Sarasin	2,329,561	0	0	2,329,561
Investments – subsidiary and associate undertakings	126,000	0	0	126,000
Net current assets	3,647,428	1,173,220	103,368	4,924,016
Total	13,394,242	1,173,220	103,368	14,670,830

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24. Pension and retirement benefits

The company operates two pension schemes both of which are NEST Compliant. The first is a defined contribution group personal pension scheme. As the pension scheme is a defined contribution money purchase scheme, no liabilities for pensions arise for the company or group. The second scheme is one that all staff can access for auto-enrolment purposes.

The assets of these schemes are held separately from those of the company in independently administered funds.

The contribution for the year amounted to £457,659 (2019 - £422,319).

25. Operating lease commitments

	Group		Company	
	Land & buildings	Land & buildings	Land & buildings	Land & buildings
	2020	2019	2020	2019
	£	£	£	£
The company had total commitments under non-cancellable leases expiring as follows.				
Within one year	240,487	234,441	219,887	218,441
2-5 years	269,997	386,543	203,397	342,543
Over 5 years	0	0	0	0
Total	510,484	620,984	423,284	560,984

Operating lease expense charged to the SOFA for the year amounted to £293,424 (2019 - £250,547)

26. Net debt reconciliation

Group	1 April 2019	Cashflows	31 March 2020
Cash and cash equivalents	2,630,459	1,234,190	3,864,649
Net debt	2,630,459	1,234,190	3,864,649

Company	1 April 2019	Cashflows	31 March 2020
Cash and cash equivalents	2,622,391	1,236,620	3,859,011
Net debt	2,622,391	1,236,620	3,859,011

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27. Post Balance Sheet Events

Due to the impact of Covid-19, the Board have reluctantly taken the decision to restructure the core central teams with the aim of removing approximately £1.2M worth of costs from the full year budget. This restructure commenced in July 2020 and in order to secure these savings will ultimately involve around 40 to 50 posts being removed from the structure through a redundancy programme.

With the financial markets having improved performance in June 2020, we took the decision to take the increase in value element from the investment funds, this released just over £200,000, leaving us with the original £2M investment intact.